



# City of Killeen

## Agenda

### City Council

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Tuesday, September 18, 2018

5:00 PM

Utility Collections  
Conference Room  
210 West Avenue C  
Killeen, Texas

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#### SPECIAL CITY COUNCIL MEETING

#### Call to Order and Roll Call

___ Jose Segarra, Mayor	___ Jim Kilpatrick
___ Shirley Fleming	___ Butch Menking
___ Steve Harris	___ Debbie Nash-King
___ Gregory Johnson	___ Juan Rivera

#### Approval of Agenda

#### Ordinances

1. [OR-18-009](#) Consider an ordinance adopting the Annual Budget and Plan of Municipal Services for the City of Killeen for the fiscal year October 1, 2018, through September 30, 2019.  
**Attachments:** [Staff Report](#)  
[City Manager's Message](#)  
[Proposed Changes](#)  
[Ordinance](#)  
[Presentation](#)
2. [OR-18-010](#) Consider a memorandum/resolution ratifying the property tax revenue increase reflected in the Annual Budget and Plan of Municipal Services for the fiscal year October 1, 2018, through September 30, 2019.  
**Attachments:** [Staff Report](#)  
[Presentation](#)
3. [OR-18-011A](#) Consider a memorandum/resolution approving the maintenance and operations tax rate for Fiscal Year 2019.  
**Attachments:** [Staff Report](#)  
[Presentation](#)
4. [OR-18-011B](#) Consider a memorandum/resolution approving the interest and sinking tax rate for Fiscal Year 2019.  
**Attachments:** [Staff Report](#)

[Presentation](#)

5. [OR-18-012](#) Consider an ordinance setting the Tax Rate for Fiscal Year 2019.

Attachments: [Staff Report](#)

[Ordinance](#)

[Presentation](#)

## Adjournment

*I certify that the above notice of meeting was posted on the Internet and on the bulletin boards at Killeen City Hall and at the Killeen Police Department on or before 5:00 p.m. on September 14, 2018.*

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*Lucy C. Aldrich, City Secretary*

*The public is hereby informed that notices for City of Killeen meetings will no longer distinguish between matters to be discussed in open or closed session of a meeting. This practice is in accordance with rulings by the Texas Attorney General that, under the Texas Open Meetings Act, the City Council may convene a closed session to discuss any matter listed on the agenda, without prior or further notice, if the matter is one that the Open Meetings Act allows to be discussed in a closed session.*

*This meeting is being conducted in accordance with the Texas Open Meetings Law [V.T.C.A., Government Code, § 551.001 et seq.]. This meeting is being conducted in accordance with the Americans with Disabilities Act [42 USC 12101 (1991)]. The facility is wheelchair accessible and handicap parking is available. Requests for sign interpretive services are available upon requests received at least 48 hours prior to the meeting. To make arrangements for those services, please call 254-501-7700, City Manager's Office, or TDD 1-800-734-2989.*

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# City of Killeen

## Legislation Details

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**File #:** OR-18-009    **Version:** 1    **Name:** FY 2019 Budget Adoption  
**Type:** Ordinance    **Status:** Ordinances  
**File created:** 8/31/2018    **In control:** City Council  
**On agenda:** 9/18/2018    **Final action:**  
**Title:** Consider an ordinance adopting the Annual Budget and Plan of Municipal Services for the City of Killeen for the fiscal year October 1, 2018, through September 30, 2019.  
**Sponsors:** Finance Department  
**Indexes:**  
**Code sections:**  
**Attachments:** [Staff Report](#)  
[City Manager's Message](#)  
[Proposed Changes](#)  
[Ordinance](#)  
[Presentation](#)

Date	Ver.	Action By	Action	Result
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## STAFF REPORT

**DATE:** September 18, 2018

**TO:** Ronald L. Olson, City Manager

**FROM:** Jonathan Locke, Executive Director of Finance

**SUBJECT:** Consider an ordinance adopting a budget for operating the municipal government of Killeen for FY 2019.

### **BACKGROUND AND FINDINGS:**

Article V of Killeen's City Charter requires the City Manager to submit a proposed budget to City Council that provides a complete financial plan for the upcoming fiscal year. The proposed FY 2019 Annual Budget and Plan of Municipal Services was submitted to City Council on August 7, 2018. There have been four budget workshops held to provide City Council and citizens a thorough overview of the proposed budget. The budget workshops included a presentation identifying strategic issues the City is facing, fund summaries of the major funds, departmental budget briefings, and presentations from community partners. The City Manager has also provided multiple public and employee briefings on the proposed budget.

State law and the City Charter require a public hearing be held to elicit citizen comment on the proposed budget. The first public hearing was held on September 4, 2018. The City Charter also states that City Council may insert additional items and make increases to the City Manager's proposed budget as long as there is a public hearing held on the changes. If the changes made by City Council increase the total proposed expenditures, City Council must also provide for an increase in the total anticipated revenue to at least equal such total proposed expenditures. A second public hearing was held on September 11, 2018 for changes to the budget submitted by the City Manager.

By a majority vote, the City Council must adopt the budget on or before the 20<sup>th</sup> day of the last month of the fiscal year (September 20<sup>th</sup>) or the budget as submitted by the City Manager is deemed to have been adopted. The budget is scheduled to be adopted September 18, 2018.

### **THE ALTERNATIVES CONSIDERED:**

- 1) Adopt the budget.
- 2) The City Charter states that should City Council take no action on or prior to September 20<sup>th</sup>, the budget as submitted by the City Manager shall be deemed to have been finally adopted by City Council.

### **Which alternative is recommended? Why?**

Staff recommendation is to adopt the budget ordinance as presented, which includes two changes requested by City Council. The two changes include a reduction in Hill Country Transit's

(the HOP) funding and providing a budget for a sanitary sewer service maintenance program. Hill Country Transit's funding was reduced from \$455,749 to \$120,850, which equals the same level of funding provided in the FY 2018 adopted budget. The remaining \$334,899 was moved to a reserve appropriation account. A \$400,000 budget was also established for a sanitary sewer service maintenance program.

**CONFORMITY TO CITY POLICY:**

The attached ordinance conforms with the City Charter and the City's Financial Governance Policies.

**FINANCIAL IMPACT:**

**What is the amount of the expenditure in the current fiscal year? For future years?**

N/A

**Is this a one-time or recurring expenditure?**

N/A

**Is this expenditure budgeted?**

N/A

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

N/A

**RECOMMENDATION:**

Staff's recommendation is to approve the ordinance adopting the FY 2019 Annual Budget and Plan of Municipal Services.

**DEPARTMENTAL CLEARANCES:**

Finance  
City Attorney

**ATTACHED SUPPORTING DOCUMENTS:**

Proposed Changes  
City Manager's Message  
Ordinance



September 19, 2018

Honorable Mayor, City Council Members, and Residents of Killeen:

It is my pleasure to submit the City of Killeen's Fiscal Year 2019 Annual Budget and Plan of Municipal Services. The City Council formally approved this document, which includes operating budgets and funding for the Capital Improvement Program on September 18, 2018. The budget establishes the framework the City will follow in providing for the delivery of services, facilities, and infrastructure to the citizens of Killeen.

This budget and plan of municipal services represents the combined efforts and input from citizens, City Council, and City staff. Essential components of our success are the confirmation of priorities by City Council and adherence to the City's mission. During the past year, each department has worked hard to create a business plan. Each plan has a clearly defined mission, mission elements, functions to support each element, along with goals and targets. This budget is in alignment with those department business plans.

In January, 2018, the City Council adopted the Financial Governance Policies document. This comprehensive set of financial policies provides parameters to be followed in the development of the budget. The proposed budget is being presented in compliance with all of those adopted policies.

The budget was prepared by providing departments with budget targets. The budget targets were calculated based upon the estimated available resources the City will have for each respective fund. Departments submitted budgets that enabled them to best meet their basic mission. Department heads created decision packages for programs or services that could not be funded within their budget target. The decision packages were evaluated and approved or disapproved based on enterprise-wide priorities and available resources.

There are five strategic issues that were considered in the development of the budget. The strategic issues include 1) adopting a balanced budget, 2) compensation equity, 3) the Texas Municipal Retirement System (TMRS), 4) deferred street maintenance, and 5) deferred building maintenance. Each of these strategic issues will have a significant service and financial impact on the City of Killeen's future. Below, they are further explained.

## Balanced Budget

The City must strive to adopt a structurally balanced budget. It is becoming increasingly difficult to accomplish this in the General Fund. This is primarily due to the disproportionate impact the disabled veterans' exemption has on Killeen. In FY 2019, the total exempted value attributable to the disabled veterans' exemption is \$706.9 million, which represents more than 11% of the City's net taxable value.

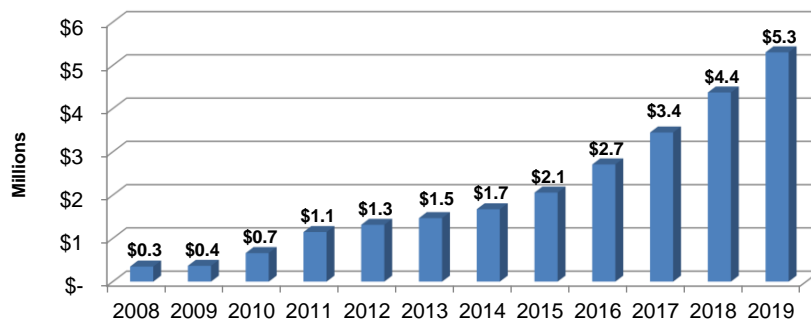


Figure 1: Revenue Loss from Disabled Veteran Exemptions

The associated revenue loss in property tax will reach \$5.3 million in Fiscal Year 2019. This loss in revenue represents nine cents on the tax roll. Disabled veteran exemptions have grown on average more than 20% per year. The

growth in exemptions is unsustainable and threatens Killeen's financial future. Figure 1 shows the loss of revenue due to exemptions since inception in 2008.

The impact of the exemption on Killeen's ad valorem tax revenue is twenty times the statewide average. Figure 2 projects the estimated shortfall in the City's ability to keep pace with projected inflation. The City's ability to continue to provide the same level of services to citizens is in jeopardy.

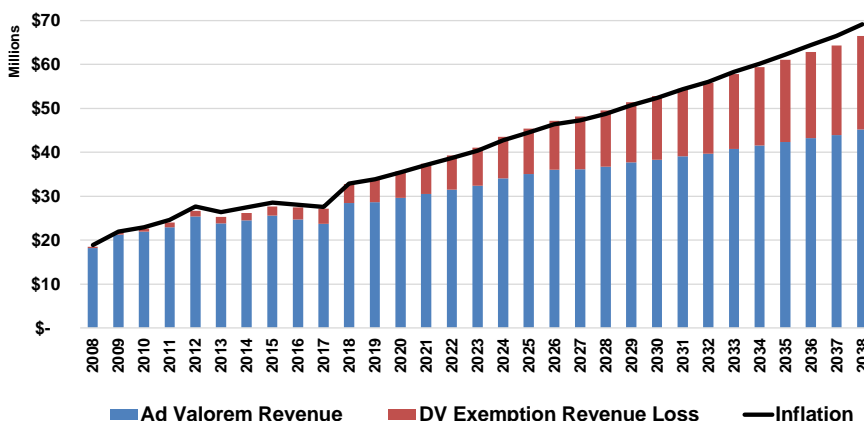


Figure 2: General Fund Revenue Compared to Inflation

Given current tax rates and other conditions, it is not practical to make up this disproportional impact through tax increases. The best solution is to solicit help from the state legislature so as to allow the entire State the privilege of supporting our disabled veterans.

Staff will recommend that this issue be our primary legislative priority for the 2019 legislative session.

Even with the significant challenges to our revenue stream, this operating budget is being presented as balanced wherein projected expenditures are equal to projected operating resources.

During the FY 2018 budget process, we clearly separated operating budgets from capital budgets. The FY 2019 capital budget is also balanced, using accumulated existing resources from fund balances and bond proceeds to accomplish specific projects in equal amounts.

### **Compensation Equity**

Fair compensation of employees is one of the most important issues facing the City. The average classified employee is more than 13% below market and as high as 40% for specific classes of employees. Civil service employees are more than 7% below market. Closing the inequity in employee compensation will be challenging.

Compensation that is not competitive with the market place creates several significant problems. For example, the City's turnover rate is in excess of 19% for classified employees and 7% for civil service. This creates hidden costs for recruiting and training. It also makes us less efficient than we would otherwise be. Being able to recruit and retain a competent workforce is vital to our success. Plus, it is part of our ethical foundation to treat people fairly.

The estimated cost to bring all employees to market is more than \$7 million. The FY 2019 Budget increases salaries citywide by 2.6%, which is the estimated inflation rate for next fiscal year. Although the increase will not move the City closer to market, it will at least prevent employees from losing more ground. The disparity in employee compensation must be addressed in order for the City to attract and retain a talented workforce.

### **Texas Municipal Retirement System (TMRS)**

The Texas Municipal Retirement System permits municipalities to adopt plan changes on either an ad hoc or annually repeating basis. The ad hoc basis considers a shorter actuarial term for its contribution rate. The ad hoc for the City of Killeen is currently 11.15%. It is recalculated and, because by its very nature, retirement is a long-term commitment, it goes up every year.



On the other hand, the annually repeating basis is actuarially long-term. It more accurately reflects the realities of a retirement system. If the City contributed on this

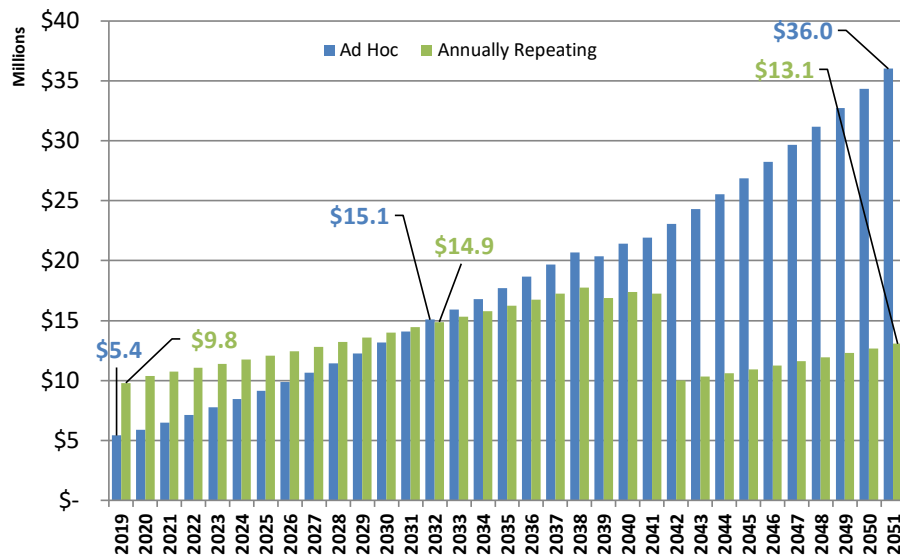


Figure 3: TMRS Contribution Comparison

basis, the rate would be 20.12%, but in 2037 it would flatten out and in 2042, it would drop. Figure 3 clearly shows that the lowest long-term cost is to contribute on an annually repeating basis. However, to make that change would require an additional \$4.4 million per year.

## Deferred Street Maintenance

A study performed in 2013 rated the City's street condition according to the Pavement Condition Index (PCI). The PCI rates the condition of street surfaces on a scale of 0 to 100, where 86-100 is Good; 71-85 Satisfactory; 51-70 Fair; and anything below is Poor. In 2013, the City's streets were rated 83.

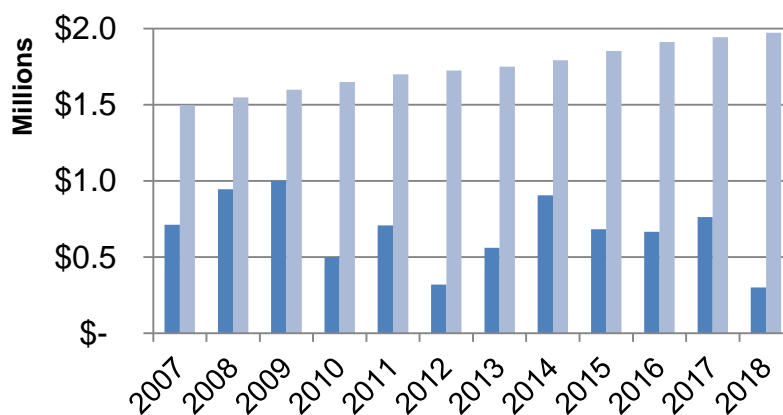


Figure 4: Street Maintenance Funding Level

The study recommended dedicated budgeting of \$900 per lane mile. Figure 4 indicates what the recommended versus actual funding has been. When the streets are not properly maintained, they deteriorate at an exponential rate. The future cost of

maintenance will be much higher than the current cost. In other words, the City is building deferred maintenance cost by not maintaining the streets now at the

recommended level. To fully fund street maintenance would require about \$2 million per year more than has traditionally been budgeted.

Due to the City being unable to fund street maintenance at the recommended level, the City's streets are estimated to have downgraded to a rating of 74 in 2018. Without proper funding during Fiscal Year 2019, the streets PCI rating will further reduce to a rating of 71.

### **Deferred Building Maintenance**

The final strategic issue concerns building maintenance. The City operates out of a total of 41 major facilities citywide. Over half of these facilities are 20 years of age or older. Although the City does a good job of custodial and minor maintenance, a total of \$42 million of rehabilitation and/or general maintenance costs have been identified over the next ten years for major maintenance, such as roofs, parking lots, HVAC systems, etc. There is a lack of funding to address the total cost of doing major maintenance to the City's facilities. Deferred building maintenance contributes to the decline of facilities and creates higher costs for future years.

In the FY 2019 budget, the only issue that was even partially addressed is compensation equity. The budget contains funding for a 2.6% cost of living adjustment. While this will not advance us closer to the market, it should counter balance projected inflation and keep our position from getting worse. Further, that group of employees that are further from market average (about 40% below market) are being recommended for a 12% increase. Again, this will not totally correct the problem, but it is a step in the right direction.

### **Summary of Revenues and Expenditures**

The combined operating revenue budget for FY 2019 totals \$179.9 million, which is \$1.6 million or 1% lower than the FY 2018 adopted budget. The operating revenue budget is lower than the FY 2018 adopted operating revenue budget due to a change in accounting for fleet purchases. Beginning in FY 2019, fleet purchases will be made out of a capital fund, instead of an operating fund, to continue the effort of clearly separating operating budgets from capital budgets. Adjusted for this change, the operating revenue budget for FY 2019 would be \$3 million or 1.6% higher than the FY 2018 adopted budget.

There are no proposed changes to the property tax rate or user fee rates. The increase in revenue is primarily attributed to increases in ad valorem taxes due to higher

reappraisal valuations and new property value added, as well as projected population growth that will increase sales tax and utility revenues.

The budget as presented has a total combined operating expenditure budget of \$181.5 million, which is a \$1.3 million or 0.7% increase from the FY 2018 adopted budget. The increase in expenditures is primarily due to an allowance for an inflationary increase to operating budgets and addressing compensation equity.

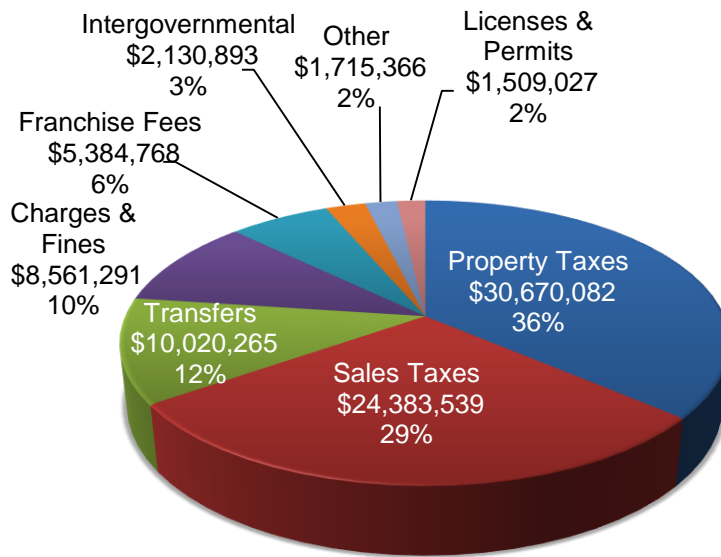
Operating expenditures are budgeted to be \$1.6 million more than revenues. This is due to the use of fund balance in the Debt Service Fund and Aviation as shown in the chart below.

Fund	Revenues FY 2019	Expenditures FY 2019	Fund Balance FY 2019
General	\$84,375,230	\$84,375,230	\$0
Water & Sewer	41,656,366	41,656,366	0
Solid Waste	18,768,780	18,768,780	0
Debt Service	14,116,274	15,866,274	(1,750,000)
Internal Service Funds	5,861,085	5,861,085	0
Special Revenue	7,708,338	7,394,667	313,671
Drainage	4,335,691	4,335,691	0
Aviation	3,034,539	3,219,124	(184,585)
Total	\$179,856,303	\$181,477,217	(\$1,620,914)

The citywide budget includes 1,281.5 full time equivalents (FTE), which is a slight decrease from the FY 2018 adopted budget. The ratio of employees to 1,000 residents continues a downward trend, declining from 8.7 in FY 2018 to 8.5 in FY 2019. For perspective, the ratio was 9.8 in FY 2008. This decline presents a growing challenge to provide the same level of services to our citizens. Even though there is a reduction in the number of FTEs per population, there will be no material service reductions.

### **General Fund**

The General Fund is the general operating fund of the City. It accounts for all financial resources except those required to be accounted for in other funds. It is primarily supported by taxes. General Fund revenues are expected to total \$84.4 million, a \$2.2



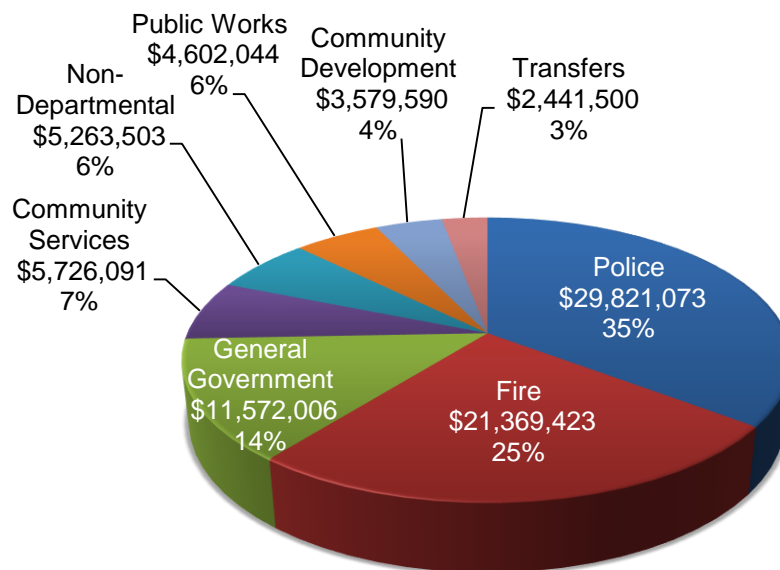
Fiscal Year 2019 General Fund Revenues: \$84,375,230

million or 2.7% increase over the FY 2018 adopted budget. The increase in revenue is attributable to increased property valuations, projected sales tax growth, and a shift in the tax rate from debt to operations

due to the use of accumulated fund balance in the Debt Service Fund. The budget as proposed assumes the property tax rate will remain the same at 74.98¢ per \$100 of property valuation.

General Fund expenditures for Fiscal Year 2019 are budgeted at \$84.4 million, which is a \$2.2 million or 2.7% increase over the FY 2018 adopted budget. This increase is primarily attributable to increasing operating budgets by the projected 2.6% increase in inflation. This

increase will allow the departments to not lose ground in their ability to provide services, as well as prevent the compensation of City employees from losing further ground to the market.



Fiscal Year 2019 General Fund Expenditures: \$84,375,230

Killeen experienced growth in assessed property valuation. According to the Bell County Appraisal District, the 2018 certified freeze adjusted taxable value for the City of Killeen is \$5.56 billion. This represents a \$63 million or 1.2% increase over the 2017 certified taxable value. There was a total of \$130.7 million of new taxable value added to the roll. This increase in value was nearly erased due to the increase in the disabled veterans' exemption.

As previously mentioned, the loss of taxable value as a result of this exemption continues to be an area of concern. The taxable value of properties that qualify for the exemption increased \$123.9 million or 21.3% from the 2017 to 2018 certified tax roll.

### **Utility Rates**

Water and wastewater rates will remain the same for all customers. The average residential household water rate is \$28.55 per month. The average residential wastewater rate is \$33.96 per month.

The solid waste rate will remain the same for all customers. The average residential solid waste rate is \$19.78 per month. This includes refuse collection, disposal, and up to 300 pounds of bulk waste disposal per month.

Storm water rates will also remain the same for all customers. The average residential storm water rate is \$6.00 per month. The combined average residential utility bill (water, wastewater, solid waste, and storm water) is \$88.29 per month.

The FY 2019 budget offers the citizens of Killeen a sound financial plan. As the City continues to grow, we must focus on our long-range financial planning to ensure the financial health and sustainability of Killeen. I want to thank the City Council, boards and commissions, citizens, and City staff for their time and effort through this point of the budget process and for their continued commitment to the success of our City.

Respectfully submitted,



Ronald L. Olson  
City Manager

# Proposed Changes

2

	Revenue	Appropriation
<b><u>General Fund –</u></b>		
Hill Country Transit (HOP) Funding		(\$334,899)
Reserve Appropriation		334,899
<b><i>Funding for Sanitary Sewer Service Maintenance Program:</i></b>		
<b><u>Water &amp; Sewer Fund –</u></b>		
Transfer from W&S CIP	\$137,494	
Contingency		(78,778)
Reserve Appropriation		(25,000)
Salaries & Benefits		116,272
Materials & Supplies		125,000
<b><u>Water &amp; Sewer CIP Fund –</u></b>		
Other Projects Reserve		(296,222)
Capital Cost (truck, backhoe and trailer)		158,728
Transfer Out to W&S Fund		137,494

**ORDINANCE\_\_\_\_\_**

**AN ORDINANCE APPROVING AND ADOPTING A BUDGET FOR OPERATING THE MUNICIPAL GOVERNMENT OF THE CITY OF KILLEEN FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2018 AND ENDING ON SEPTEMBER 30, 2019; APPROPRIATING MONEY FOR THE VARIOUS FUNDS AND PURPOSES OF SUCH BUDGET INCLUDING APPROPRIATIONS OF MONEY TO PAY INTEREST AND PRINCIPAL SINKING FUND REQUIREMENTS ON ALL INDEBTEDNESS; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES AND APPROPRIATIONS IN CONFLICT WITH THE PROVISIONS OF THIS ORDINANCE; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, a budget for operating the municipal government of the City of Killeen for the fiscal year October 1, 2018 to September 30, 2019 has been prepared by Ronald L. Olson, City Manager, as Budget Officer for the City of Killeen, Texas; and

**WHEREAS**, said budget has been submitted to the City Council by the City Manager along with his budget message, in accordance with the City Charter; and

**WHEREAS**, public notice of a public hearing upon this budget has been duly and legally made as required by City Charter and law; and

**WHEREAS**, a separate record vote of the City Council is required to adopt a budget that will raise more revenue from property taxes than the previous year; and

**WHEREAS**, the public hearing has been had upon said budget and, after full and final consideration of proposed expenditures, revenues, financial condition, and comparative expenditures as presented, it is the consensus of opinion that the budget as considered and amended at said hearing should be approved and adopted;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KILLEEN:**

**SECTION I.** That the City Council of the City of Killeen ratifies, approves and adopts the budget as finally considered for the fiscal year of October 1, 2018 to September 30, 2019, a copy of which shall be filed with the office of the City Secretary and with the Bell County Clerk and which is incorporated herein for all intents and purposes.

**SECTION II.** That the appropriations for 2019 fiscal year for the different administrative units and purposes of the City of Killeen, Texas, be fixed and determined for said fiscal year in accordance with the expenditures shown in said budget, and that the distribution and division of said appropriations be made in accordance with said budget including such amounts shown for providing for sinking funds for the payment of the principal and interest and the retirement of the bonded debt of the City of Killeen.

**SECTION III.** That pursuant to Section 76 of the City Charter, approval in this budget of items costing up to and including \$50,000 shall constitute the prior approval of said expenditures by City Council, and the City Manager or the Acting City Manager is authorized to advertise for bids for all contracts or purchases involving more than \$50,000 as provided by said Section without further authorization by the City Council.

**SECTION IV.** That should any part, portion, or section of this ordinance be declared invalid, inoperative, or void for any reason by a court of competent jurisdiction, such decision, opinion, or judgment shall in no way affect the remaining portions, parts, or sections or parts of a section of this ordinance, which provisions shall be, remain and continue to be in full force and effect.

**SECTION V.** That all ordinances and appropriations for which provision has heretofore been made are hereby expressly repealed if in conflict with the provisions of this ordinance.



**SECTION VI.** That this ordinance shall take effect and be in full force and effect from and after its passage and approval according to law.

**PASSED AND APPROVED** at a special meeting of the City Council of the City of Killeen, Texas this 18th day of September 2018, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A. Government Code, §551.001 *et. seq.*

**APPROVED**

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Jose L. Segarra, MAYOR

**ATTEST:**

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Lucy Aldrich, CITY SECRETARY

**APPROVED AS TO FORM:**

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Kathy H. Davis, CITY ATTORNEY

CITY SECRETARY DISTRIBUTION:  
Executive Director of Finance



# FY 2019 BUDGET AND TAX RATE ADOPTION

OR-18-009 to  
OR-18-012

September 18, 2018

# Budget and Tax Rate Adoption Overview

2

- Budget Workshops
  - ▣ Four workshops covered entire budget
    - Strategic issues presentation
    - Fund summary and department detail presentations
    - Capital improvement project presentation
- Budget Public Hearings
  - ▣ September 4<sup>th</sup> and 11<sup>th</sup>
- Tax Rate Public Hearings
  - ▣ September 4<sup>th</sup> and 11<sup>th</sup>
- State law dictates approval sequence
  - ▣ Budget adoption
  - ▣ Ratify property tax revenue increase
  - ▣ Set the tax rate – three part process

# Budget and Tax Rate Adoption

## Budget Adoption

3

- ❑ All operational budgets balanced
- ❑ Operational fund revenues equal or exceed expenses with one exception:
  - ▣ Aviation Fund – use \$184,585 fund balance
- ❑ Capital improvement projects – \$34.93 million
- ❑ Vehicle replacement – \$4.6 million
- ❑ No change in the tax rate or user fees
- ❑ Must be a record vote

# Budget and Tax Rate Adoption

## Ratify Property Tax Revenue Increase

4

- ❑ Local Government Code 102.007(c)
  - ▣ Adoption of a budget that receives more property tax revenue than in the previous year requires a separate vote to ratify the property tax revenue increase.
  - ▣ Total tax revenue increase is \$463,535.
  - ▣ Required even though the tax rate is the same.

# Budget and Tax Rate Adoption

## Setting the Tax Rate – Part 1 and 2

5

- Property Tax Code 26.05(a)
  - ▣ Requires separate approval of the two components
    - Maintenance and Operation
    - Interest and Sinking (Debt service)

- Part 1: Maintenance and Operation

Type	Tax Rate	Budgeted Revenue
Operations	\$0.5353	\$30,366,020

- Part 2: Interest and Sinking (Debt Service)

Type	Tax Rate	Budgeted Revenue
Debt	\$0.2145	\$12,178,032

- Total Tax Rate

Type	Tax Rate	Budgeted Revenue
Total	\$0.7498	\$42,544,052

# Budget and Tax Rate Adoption

## Setting the Tax Rate – Part 3

6

- Property Tax Code 26.05(b)
  - Sets forth the following requirements if the tax rate exceeds the effective rate:
    - Record Vote
    - Approved by at least 60 percent of City Council (5 members)
    - Motion to approve the ordinance must be made with specific language:

“I move that the property tax rate be increased by the adoption of a tax rate of \$0.7498, which is effectively a 0.66 percent increase in the tax rate.”
  - This language is required even though the tax rate will remain the same.



# City of Killeen

## Legislation Details

<b>File #:</b>	OR-18-010	<b>Version:</b>	1	<b>Name:</b>	Ratiofing the Property Tax Revenue Increase
<b>Type:</b>	Resolution	<b>Status:</b>		<b>Status:</b>	Ordinances
<b>File created:</b>	8/31/2018	<b>In control:</b>		<b>In control:</b>	City Council
<b>On agenda:</b>	9/18/2018	<b>Final action:</b>		<b>Final action:</b>	
<b>Title:</b>	Consider a memorandum/resolution ratiofing the property tax revenue increase reflected in the Annual Budget and Plan of Municipal Services for the fiscal year October 1, 2018, through September 30, 2019.				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	<a href="#">Staff Report</a> <a href="#">Presentation</a>				

Date	Ver.	Action By	Action	Result
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## STAFF REPORT

**DATE:** September 18, 2018

**TO:** Ronald L. Olson, City Manager

**FROM:** Jonathan Locke, Executive Director of Finance

**SUBJECT:** Ratifying the Property Tax Revenue Increase as Required by the Local Government Code.

### **BACKGROUND AND FINDINGS:**

In accordance with Local Government Code Section 102.007(c), adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax revenue increase reflected in the budget.

This budget will raise more revenue from property taxes than last year's budget by an amount of \$463,535, which is a 1.08 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$980,149.

The growth in exempted property value offset a large portion of the increase in assessed value and new property value added to the tax roll. A reconciliation is provided below:

	<b>Property Value</b>	<b>Tax Levy</b>
Increase in Assessed Value	\$ 140,901,225	\$ 1,056,478
New Taxable Value	130,721,412	980,149
Increase in Tax Exemptions	209,275,788	(1,569,150)
Frozen Tax Levy		<u>(3,942)</u>
<b><i>Property Taxes Raised in Excess of Last Year's Budget</i></b>	<b>\$</b>	<b><u>463,535</u></b>

### **THE ALTERNATIVES CONSIDERED:**

#### **Which alternative is recommended? Why?**

Staff recommendation is to approve the memorandum/resolution as presented, which meets the requirements set forth by the Local Government Code.

**CONFORMITY TO CITY POLICY:**

The memorandum/resolution ratifying the tax revenue increase conforms with Local Government Code Section 102.007(c).

**FINANCIAL IMPACT:**

**What is the amount of the expenditure in the current fiscal year? For future years?**

N/A

**Is this a one-time or recurring expenditure?**

N/A

**Is this expenditure budgeted?**

N/A

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

N/A

**RECOMMENDATION:**

Staff recommendation is to ratify the property tax revenue increase reflected in the Annual Budget and Plan of Municipal Services for the fiscal year October 1, 2018, through September 30, 2019.

**DEPARTMENTAL CLEARANCES:**

Finance  
City Attorney

**ATTACHED SUPPORTING DOCUMENTS:**

N/A



# FY 2019 BUDGET AND TAX RATE ADOPTION

OR-18-009 to  
OR-18-012

September 18, 2018

# Budget and Tax Rate Adoption Overview

2

- Budget Workshops
  - ▣ Four workshops covered entire budget
    - Strategic issues presentation
    - Fund summary and department detail presentations
    - Capital improvement project presentation
- Budget Public Hearings
  - ▣ September 4<sup>th</sup> and 11<sup>th</sup>
- Tax Rate Public Hearings
  - ▣ September 4<sup>th</sup> and 11<sup>th</sup>
- State law dictates approval sequence
  - ▣ Budget adoption
  - ▣ Ratify property tax revenue increase
  - ▣ Set the tax rate – three part process

# Budget and Tax Rate Adoption

## Budget Adoption

3

- ❑ All operational budgets balanced
- ❑ Operational fund revenues equal or exceed expenses with one exception:
  - ▣ Aviation Fund – use \$184,585 fund balance
- ❑ Capital improvement projects – \$34.93 million
- ❑ Vehicle replacement – \$4.6 million
- ❑ No change in the tax rate or user fees
- ❑ Must be a record vote

# Budget and Tax Rate Adoption

## Ratify Property Tax Revenue Increase

4

- ❑ Local Government Code 102.007(c)
  - ▣ Adoption of a budget that receives more property tax revenue than in the previous year requires a separate vote to ratify the property tax revenue increase.
  - ▣ Total tax revenue increase is \$463,535.
  - ▣ Required even though the tax rate is the same.

# Budget and Tax Rate Adoption

## Setting the Tax Rate – Part 1 and 2

5

- Property Tax Code 26.05(a)
  - ▣ Requires separate approval of the two components
    - Maintenance and Operation
    - Interest and Sinking (Debt service)

- Part 1: Maintenance and Operation

Type	Tax Rate	Budgeted Revenue
Operations	\$0.5353	\$30,366,020

- Part 2: Interest and Sinking (Debt Service)

Type	Tax Rate	Budgeted Revenue
Debt	\$0.2145	\$12,178,032

- Total Tax Rate

Type	Tax Rate	Budgeted Revenue
Total	\$0.7498	\$42,544,052

# Budget and Tax Rate Adoption

## Setting the Tax Rate – Part 3

6

- Property Tax Code 26.05(b)
  - Sets forth the following requirements if the tax rate exceeds the effective rate:
    - Record Vote
    - Approved by at least 60 percent of City Council (5 members)
    - Motion to approve the ordinance must be made with specific language:

“I move that the property tax rate be increased by the adoption of a tax rate of \$0.7498, which is effectively a 0.66 percent increase in the tax rate.”
  - This language is required even though the tax rate will remain the same.





# City of Killeen

## Legislation Details

---

**File #:** OR-18-011A    **Version:** 1    **Name:** Setting the Maintenance and Operations Rate  
**Type:** Resolution    **Status:** Ordinances  
**File created:** 8/31/2018    **In control:** City Council  
**On agenda:** 9/18/2018    **Final action:**  
**Title:** Consider a memorandum/resolution approving the maintenance and operations tax rate for Fiscal Year 2019.  
**Sponsors:** Finance Department  
**Indexes:**  
**Code sections:**  
**Attachments:** [Staff Report](#)  
[Presentation](#)

Date	Ver.	Action By	Action	Result
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## STAFF REPORT

**DATE:** September 18, 2018

**TO:** Ronald L. Olson, City Manager

**FROM:** Jonathan Locke, Executive Director of Finance

**SUBJECT:** Approve the maintenance and operation component of the tax rate for Fiscal Year 2019.

### **BACKGROUND AND FINDINGS:**

Section 26.05(a) of the Texas Tax Code requires taxing units to comply with truth-in-taxation laws in adopting their tax rates. The City's proposed tax rate consists of two components, each of which must be approved separately. The two components include 1) maintenance and operation and 2) interest and sinking.

The total proposed tax rate is 74.98¢ per \$100 valuation. The maintenance and operation component of the tax rate is 53.53¢ per \$100 valuation.

The maintenance and operation component will generate \$30,366,020 at the City's historical collection rate of 98%.

### **THE ALTERNATIVES CONSIDERED:**

#### **Which alternative is recommended? Why?**

Staff recommendation is to approve the memorandum/resolution as presented to set the maintenance and operation component of the tax rate.

### **CONFORMITY TO CITY POLICY:**

The memorandum/resolution complies with truth-in taxation laws established by the Texas Tax Code.

### **FINANCIAL IMPACT:**

#### **What is the amount of the expenditure in the current fiscal year? For future years?**

N/A

#### **Is this a one-time or recurring expenditure?**

N/A

**Is this expenditure budgeted?**

N/A

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

N/A

**RECOMMENDATION:**

Staff recommends City Council approve the maintenance and operation component of the tax rate at 53.53¢ per \$100 valuation.

**DEPARTMENTAL CLEARANCES:**

Finance  
City Attorney

**ATTACHED SUPPORTING DOCUMENTS:**

N/A



# FY 2019 BUDGET AND TAX RATE ADOPTION

OR-18-009 to  
OR-18-012

September 18, 2018

# Budget and Tax Rate Adoption Overview

2

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  - ▣ Four workshops covered entire budget
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- Tax Rate Public Hearings
  - ▣ September 4<sup>th</sup> and 11<sup>th</sup>
- State law dictates approval sequence
  - ▣ Budget adoption
  - ▣ Ratify property tax revenue increase
  - ▣ Set the tax rate – three part process

# Budget and Tax Rate Adoption

## Budget Adoption

3

- ❑ All operational budgets balanced
- ❑ Operational fund revenues equal or exceed expenses with one exception:
  - ▣ Aviation Fund – use \$184,585 fund balance
- ❑ Capital improvement projects – \$34.93 million
- ❑ Vehicle replacement – \$4.6 million
- ❑ No change in the tax rate or user fees
- ❑ Must be a record vote

# Budget and Tax Rate Adoption

## Ratify Property Tax Revenue Increase

4

- ❑ Local Government Code 102.007(c)
  - ▣ Adoption of a budget that receives more property tax revenue than in the previous year requires a separate vote to ratify the property tax revenue increase.
  - ▣ Total tax revenue increase is \$463,535.
  - ▣ Required even though the tax rate is the same.

# Budget and Tax Rate Adoption

## Setting the Tax Rate – Part 1 and 2

5

- Property Tax Code 26.05(a)
  - ▣ Requires separate approval of the two components
    - Maintenance and Operation
    - Interest and Sinking (Debt service)

- Part 1: Maintenance and Operation

Type	Tax Rate	Budgeted Revenue
Operations	\$0.5353	\$30,366,020

- Part 2: Interest and Sinking (Debt Service)

Type	Tax Rate	Budgeted Revenue
Debt	\$0.2145	\$12,178,032

- Total Tax Rate

Type	Tax Rate	Budgeted Revenue
Total	\$0.7498	\$42,544,052



# Budget and Tax Rate Adoption

## Setting the Tax Rate – Part 3

6

- Property Tax Code 26.05(b)
  - Sets forth the following requirements if the tax rate exceeds the effective rate:
    - Record Vote
    - Approved by at least 60 percent of City Council (5 members)
    - Motion to approve the ordinance must be made with specific language:

“I move that the property tax rate be increased by the adoption of a tax rate of \$0.7498, which is effectively a 0.66 percent increase in the tax rate.”
  - This language is required even though the tax rate will remain the same.



# City of Killeen

## Legislation Details

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**File #:** OR-18-011B    **Version:** 1    **Name:** Setting the Interest and Sinking Tax Rate  
**Type:** Resolution    **Status:** Ordinances  
**File created:** 8/31/2018    **In control:** City Council Workshop  
**On agenda:** 9/18/2018    **Final action:**  
**Title:** Consider a memorandum/resolution approving the interest and sinking tax rate for Fiscal Year 2019.  
**Sponsors:** Finance Department  
**Indexes:**  
**Code sections:**  
**Attachments:** [Staff Report](#)  
[Presentation](#)

Date	Ver.	Action By	Action	Result
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## STAFF REPORT

**DATE:** September 18, 2018

**TO:** Ronald L. Olson, City Manager

**FROM:** Jonathan Locke, Executive Director of Finance

**SUBJECT:** Approve the interest and sinking component of the tax rate for Fiscal Year 2019.

### **BACKGROUND AND FINDINGS:**

Section 26.05(a) of the Texas Tax Code requires taxing units to comply with truth-in-taxation laws in adopting their tax rates. The City's proposed tax rate consists of two components, each of which must be approved separately. The two components include 1) maintenance and operation and 2) interest and sinking (debt service).

The total proposed tax rate is 74.98¢ per \$100 valuation. The interest and sinking component of the tax rate is 21.45¢ per \$100 valuation.

The interest and sinking component will generate \$12,178,032 at the City's historical collection rate of 98%.

### **THE ALTERNATIVES CONSIDERED:**

#### **Which alternative is recommended? Why?**

Staff's recommendation is to approve the memorandum/resolution as presented to set the interest and sinking component of the tax rate.

### **CONFORMITY TO CITY POLICY:**

The memorandum/resolution complies with truth-in taxation laws established by the Texas Tax Code.

### **FINANCIAL IMPACT:**

#### **What is the amount of the expenditure in the current fiscal year? For future years?**

N/A

#### **Is this a one-time or recurring expenditure?**

N/A

**Is this expenditure budgeted?**

N/A

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

N/A

**RECOMMENDATION:**

Staff recommends City Council approve the interest and sinking component of the tax rate at 21.45¢ per \$100 valuation.

**DEPARTMENTAL CLEARANCES:**

Finance  
City Attorney

**ATTACHED SUPPORTING DOCUMENTS:**

N/A



# FY 2019 BUDGET AND TAX RATE ADOPTION

OR-18-009 to  
OR-18-012

September 18, 2018

# Budget and Tax Rate Adoption Overview

2

- Budget Workshops
  - ▣ Four workshops covered entire budget
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  - ▣ September 4<sup>th</sup> and 11<sup>th</sup>
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  - ▣ September 4<sup>th</sup> and 11<sup>th</sup>
- State law dictates approval sequence
  - ▣ Budget adoption
  - ▣ Ratify property tax revenue increase
  - ▣ Set the tax rate – three part process

# Budget and Tax Rate Adoption

## Budget Adoption

3

- ❑ All operational budgets balanced
- ❑ Operational fund revenues equal or exceed expenses with one exception:
  - ▣ Aviation Fund – use \$184,585 fund balance
- ❑ Capital improvement projects – \$34.93 million
- ❑ Vehicle replacement – \$4.6 million
- ❑ No change in the tax rate or user fees
- ❑ Must be a record vote

# Budget and Tax Rate Adoption

## Ratify Property Tax Revenue Increase

4

- ❑ Local Government Code 102.007(c)
  - ▣ Adoption of a budget that receives more property tax revenue than in the previous year requires a separate vote to ratify the property tax revenue increase.
  - ▣ Total tax revenue increase is \$463,535.
  - ▣ Required even though the tax rate is the same.



# Budget and Tax Rate Adoption

## Setting the Tax Rate – Part 1 and 2

5

- Property Tax Code 26.05(a)
  - ▣ Requires separate approval of the two components
    - Maintenance and Operation
    - Interest and Sinking (Debt service)

- Part 1: Maintenance and Operation

Type	Tax Rate	Budgeted Revenue
Operations	\$0.5353	\$30,366,020

- Part 2: Interest and Sinking (Debt Service)

Type	Tax Rate	Budgeted Revenue
Debt	\$0.2145	\$12,178,032

- Total Tax Rate

Type	Tax Rate	Budgeted Revenue
Total	\$0.7498	\$42,544,052

# Budget and Tax Rate Adoption

## Setting the Tax Rate – Part 3

6

- Property Tax Code 26.05(b)
  - Sets forth the following requirements if the tax rate exceeds the effective rate:
    - Record Vote
    - Approved by at least 60 percent of City Council (5 members)
    - Motion to approve the ordinance must be made with specific language:

“I move that the property tax rate be increased by the adoption of a tax rate of \$0.7498, which is effectively a 0.66 percent increase in the tax rate.”
  - This language is required even though the tax rate will remain the same.



# City of Killeen

## Legislation Details

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**File #:** OR-18-012    **Version:** 1    **Name:** Setting the Tax Rate for FY 2019  
**Type:** Ordinance    **Status:** Ordinances  
**File created:** 8/31/2018    **In control:** City Council  
**On agenda:** 9/18/2018    **Final action:**  
**Title:** Consider an ordinance setting the Tax Rate for Fiscal Year 2019.  
**Sponsors:** Finance Department  
**Indexes:**  
**Code sections:**  
**Attachments:** [Staff Report](#)  
[Ordinance](#)  
[Presentation](#)

Date	Ver.	Action By	Action	Result
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## STAFF REPORT

**DATE:** September 18, 2018

**TO:** Ronald L. Olson, City Manager

**FROM:** Jonathan Locke, Executive Director of Finance

**SUBJECT:** Setting the Tax Rate for Fiscal Year 2019.

### **BACKGROUND AND FINDINGS:**

Chapter 26 of the Texas Tax Code requires taxing units to comply with truth-in-taxation laws when adopting their tax rates. In addition, Local Government Code Section 140.010 requires a municipality to provide notice of the proposed property tax rate. The Local Government Code notice exempts the City from the notice and publication requirements of Sections 26.04(e), 26.052, and 26.06 of the Texas Tax Code. The notice required by Local Government Code Section 140.010(d) was published in the Killeen Daily Herald on August 26, 2018.

The City has complied with all provisions of the truth-in-taxation and Local Government Code laws regarding the adoption of the tax rate.

The City Manager's proposed FY 2019 Budget used the current tax rate of 74.98¢ per \$100 valuation. On August 21, 2018, at a City Council meeting, the Killeen City Council set the preliminary tax rate at the rate of 75.75¢ per \$100 valuation. The preliminary tax rate represents the maximum rate that can be adopted for the FY 2019 Budget. The effective tax rate for FY 2019 (2018 tax year) is 74.49¢. The rollback tax rate adjusted for sales tax for FY 2019 (2018 tax year) is 75.75¢.

On September 4, 2018, at a City Council Meeting, the Killeen City Council approved a motion to direct the City Manager to use the current tax rate of 74.98¢ per \$100 valuation. It is now necessary that City Council adopt a final tax rate to support the Fiscal Year 2019 Annual Budget and Plan of Municipal Services. Texas Tax Code requires the vote on an ordinance setting a tax rate that exceeds the effective rate to be a record vote and approved by at least sixty (60) percent of the members of the governing body. In order to set the tax rate above the effective rate of 74.49¢, the ordinance must be approved by at least five (5) members of City Council.

### **THE ALTERNATIVES CONSIDERED:**

- 1) Set the tax rate.
- 2) In accordance with Tax Code Section 26.05(c), if the governing body of a taxing unit does not adopt a tax rate before the date required (before the later of September 30 or the 60<sup>th</sup> day after the date the certified roll is received), the tax rate for the taxing unit for that tax year is the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the taxing unit for the preceding tax year. A tax rate established by this subsection is treated as an adopted tax rate.

**Which alternative is recommended? Why?**

Staff's recommendation is to set the tax rate as presented in the ordinance.

**CONFORMITY TO CITY POLICY:**

The ordinance complies with truth-in taxation laws set by the Texas Tax Code and Local Government Code.

**FINANCIAL IMPACT:**

**What is the amount of the expenditure in the current fiscal year? For future years?**

N/A

**Is this a one-time or recurring expenditure?**

N/A

**Is this expenditure budgeted?**

N/A

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

N/A

**RECOMMENDATION:**

Staff recommends City Council approve the ordinance setting the FY 2019 tax rate at 74.98¢ per \$100 valuation.

**DEPARTMENTAL CLEARANCES:**

Finance  
City Attorney

**ATTACHED SUPPORTING DOCUMENTS:**

Ordinance

**AN ORDINANCE SETTING THE TAX RATE AND LEVYING A TAX UPON ALL PROPERTY SUBJECT TO TAXATION WITHIN THE CITY LIMITS OF THE CITY OF KILLEEN, TEXAS, FOR THE 2018 TAX YEAR AND FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF KILLEEN FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; APPORTIONING SAID LEVY AMONG THE VARIOUS FUNDS AND ITEMS FOR WHICH REVENUE MUST BE RAISED INCLUDING PROVIDING A SINKING FUND FOR THE RETIREMENT OF THE BONDED DEBT OF THE CITY; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the Chief Appraiser of the Bell County Tax Appraisal District has prepared and certified the appraisal roll for the City of Killeen, Texas, said roll being that portion of the approved appraisal roll of the Bell County Tax Appraisal District which lists property taxable by the City of Killeen, Texas; and

**WHEREAS**, the Chief Appraiser of the Bell County Tax Appraisal District has performed the statutory calculations required by Section 26.04 of the Texas Property Tax Code, and the City of Killeen has published the effective rate, the rollback tax rate, and an explanation of how they were calculated and has fulfilled all other requirements for publication as contained in Local Government Code Section 140.010, in a manner designated to come to the attention of all residents of said City and has submitted rates to the City Council of said City prior to the City Council meeting of August 21, 2018; and,

**WHEREAS**, “THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE.” AND “THE TAX RATE WILL EFFECTIVELY BE RAISED BY 8.67 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$42.70.”

**WHEREAS**, the City Council has complied with all applicable requirements of the Texas Property Tax Code prior to the setting of the tax rate for said City for 2018 tax year;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KILLEEN;**

**SECTION I.** That the tax rate of the City of Killeen, Texas for the tax year 2018 be, and is hereby, set at 74.98 ¢ on each \$100 of the taxable value of real and personal property not exempt from taxation by the constitution and laws of this state within the corporate limits of said City.

**SECTION II.** That there is hereby levied for the tax year 2018 upon all real and personal property not exempt from taxation by the constitution and laws of this state situated within the corporate limits of said City, and there shall be collected for the use and support of the municipal government of the City of Killeen, Texas, to provide a sinking fund for the retirement of the bonded debt of said City and to provide for

permanent improvements in said City, said tax; and said tax, so levied and collected, shall be apportioned to the specific purposes hereinafter set forth; to wit:

- A. For the payment of current expenses and to be deposited in the general fund (for the purposes of maintenance and operations) 53.53¢ on each \$100 of the taxable value; and,
- B. To provide for sinking funds for the payment of the principal and interest and the retirement of bonded debt, 21.45¢ on each \$100 of the taxable value of such property.

**SECTION III.** That the Chief Appraiser is hereby authorized to assess and collect the taxes of said City employing the above tax rate.

**SECTION IV.** That the Director of Finance of said City shall keep accurate and complete records of all monies collected under this Ordinance and of the purposes for which same are expended.

**SECTION V.** That monies collected pursuant to this Ordinance shall be expended as set forth in the City of Killeen FY 2019 Annual Budget and Plan of Municipal Services.

**SECTION VI.** That all monies collected which are not specifically appropriated shall be deposited in the general fund.

**SECTION VII.** That this ordinance shall take effect and be in full force and effect from and after its passage and approval according to law.

**PASSED AND APPROVED** at a special meeting of the City Council of the City of Killeen, Texas this 18th day of September 2018, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A. Government Code, §551.001 *et. seq.*

**APPROVED**

\_\_\_\_\_  
Jose L. Segarra, MAYOR

**ATTEST:**

\_\_\_\_\_  
Lucy C. Aldrich, CITY SECRETARY

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Kathy H. Davis, CITY ATTORNEY



# FY 2019 BUDGET AND TAX RATE ADOPTION

OR-18-009 to  
OR-18-012

September 18, 2018



# Budget and Tax Rate Adoption Overview

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  - ▣ Budget adoption
  - ▣ Ratify property tax revenue increase
  - ▣ Set the tax rate – three part process

# Budget and Tax Rate Adoption

## Budget Adoption

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## Ratify Property Tax Revenue Increase

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# Budget and Tax Rate Adoption

## Setting the Tax Rate – Part 1 and 2

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Type	Tax Rate	Budgeted Revenue
Operations	\$0.5353	\$30,366,020

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# Budget and Tax Rate Adoption

## Setting the Tax Rate – Part 3

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